

CITY FINANCE COMMITTEE[545]

Adopted and Filed

Rule making related to fund transfers

The City Finance Committee hereby amends Chapter 2, “Budget Amendments and Fund Transfers,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is adopted under the authority provided in Iowa Code section 384.15.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code section 384.6.

Purpose and Summary

These amendments clarify the meaning of “transfers between funds” by adding definitions of “fund transfer resolution” and “intrafund transfer” and require all transfers of moneys between city funds to be approved by a fund transfer resolution.

Public Comment and Changes to Rule Making

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on January 16, 2019, as **ARC 4234C**. No public comments were received. No changes from the Notice have been made.

Adoption of Rule Making

This rule making was adopted by the Committee on February 20, 2019.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

The Committee does not intend to grant waivers to these rules.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rule making will become effective on April 17, 2019.

The following rule-making actions are adopted:

ITEM 1. Amend rule 545—2.1(384,388) as follows:

545—2.1(384,388) Definitions. The following terms when used in the rules of this part have the following meanings:

“*Act*” means the home rule Act, Acts of the Sixty-fourth General Assembly, chapter 1088, as amended.

“*Budget amendment*” means any change in the appropriations of a city’s budget after the budget has been finally adopted, and that requires preparation and adoption as provided in Iowa Code section 384.16 and subject to protest in Iowa Code section 384.19.

If in these rules the committee has provided that amendments of certain types or up to certain amounts do not require preparation and adoption as provided in Iowa Code section 384.15 and are not subject to protest as provided in Iowa Code section 384.19, then these types of amendments are not considered to be budget amendments.

“*Budget appropriation*” means the allocation of the total appropriation to each program for the following fiscal year, as provided for by a city’s budget as finally adopted. All appropriations shall be allocated to one or more of the nine programs as defined in this rule.

Any expenditure authorized in Iowa Code sections 384.23 to 384.94 shall be deemed appropriated.

“*Detailed budget*” shall mean documenting revenues and transfer in by sources and funds, and documenting expenditures and transfers out by funds, functions and objects.

“*Fund*” means a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

“*Fund transfer resolution*” means a resolution of the city council which must be passed to allow for transfers between funds. A fund transfer resolution must be completed for all transfers between funds and must include a clear statement of reason or purpose for the transfer, the name of the fund from which the transfer is originating, the name of the fund into which the transfer is to be received, and the dollar amount to be transferred. For transfers of utility surpluses outlined in subrule 2.5(5), the calculation proving the surplus must also be shown in the resolution. Intrafund transfers do not require a fund transfer resolution. Multiple transfers between funds may be approved in one resolution, so long as each transfer’s purpose, originating fund or subfund, and receiving fund or subfund, and the amount of transferred dollars are separately identified. Fund transfer resolutions may also be included in budget or budget amendment adoption resolutions, so long as each transfer’s purpose, originating fund or subfund and receiving fund or subfund, and the amount of transferred dollars are separately identified.

“*Intrafund transfer*” means a transfer between accounts or subfunds within a fund.

“*Program*” means any one of the following nine major functions of public service that the city finance committee requires ~~cities~~ a city to use in defining its the city’s program structure:

1. Public safety;
2. Public works;
3. Health and social services;
4. Culture and recreation;
5. Community and economic development;
6. General government;
7. Debt service;
8. Capital projects;
9. Business-type activities.

“*Transfers between funds*” means the transfer of amounts from one fund to another fund.

ITEM 2. Amend subrule 2.5(1) as follows:

2.5(1) General ~~provision~~ provisions. All transfers of moneys between funds found in the city budget forms must be approved by a fund transfer resolution. Transfers between funds in one program are types of amendments that do not require preparation and adoption as provided in Iowa Code section 384.16

and are not subject to protest as provided in Iowa Code section 384.19, but such transfers must comply with the state laws regarding the funds and the following subrules:

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 3/13/19.